

WHY NOW IS THE PERFECT TIME TO REVIEW YOUR INTERNATIONAL BUSINESS PLANS

*Opportunities for Delaware Exporters
in Australia & New Zealand*

WEBINAR

21 April 2020



BACKGROUND

- F&A: Established in 2002 and based in Sydney.
- Bespoke trade & investment advisory consultancy.
- Assisted 3,000+ companies in Australia & New Zealand across a wide range of industry sectors.
- In-country representative for 14 International Economic Development Agencies out of the US & Europe.
- We help companies to:
 - › Understand the AU/NZ market
 - › Prepare for market entry
 - › Establish local presence / find partners
 - › Grow international sales



TODAY'S SPEAKER



Angela Foley

Founder & Managing Director
Foley & Associates

Angela is an expert on advising international firms to **successfully win business in Australia & New Zealand** and on guiding local firms as they seek to expand internationally.



1. CURRENT ENVIRONMENT IN AUSTRALIA & NEW ZEALAND

'State of Play'...
Economic Outlook...

Keeping the economy moving | AUSTRALIA

- Australia has issued it's biggest government **economic stimulus package** currently totalling:

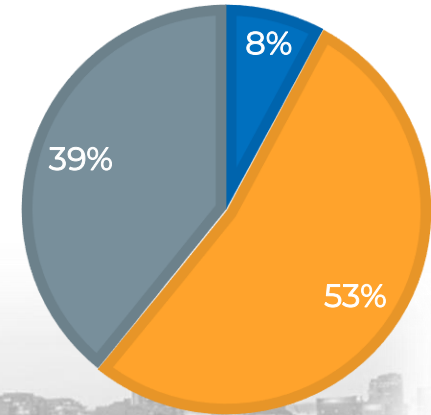


A\$ 320 billion
(~US\$ 203.8b)



AUSTRALIA'S A\$320B ECONOMIC STIMULUS PACKAGE

- Support for Individuals and Households (~A\$25B)
- Support for Businesses (~A\$169B)
- Support for the Flow of Credit (~A\$125B)



Keeping the economy moving | NEW ZEALAND

- New Zealand has announced **fiscal measures** amounting to a total of:



NZ\$23 billion
(~US\$ 13.9 b)



Big reliance on tourism



significant economic
impact.

- On March 28, NZ government announced the **temporary removal of tariffs** on all medical and hygiene imports needed for COVID-19 response.

Global Economic Activity 2020

IMF Latest Growth Projections*:



- | **Global economic growth** - 3% fall in 2020 due to coronavirus containment measures:

US	UK	Australia	Germany	France	New Zealand
- 5.9%	- 6.5%	- 6.7%	- 7.0%	- 7.2%	- 7.2%

(real GDP, annual % change)

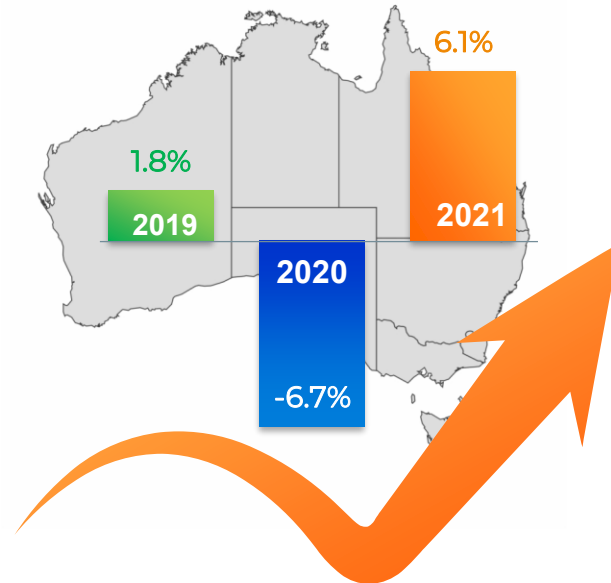
- | Economic growth in **Asia** to 'stall at 0% in 2020'.
- | **Australian & New Zealand** economies headed for recession...



Outlook for 2021... Australia

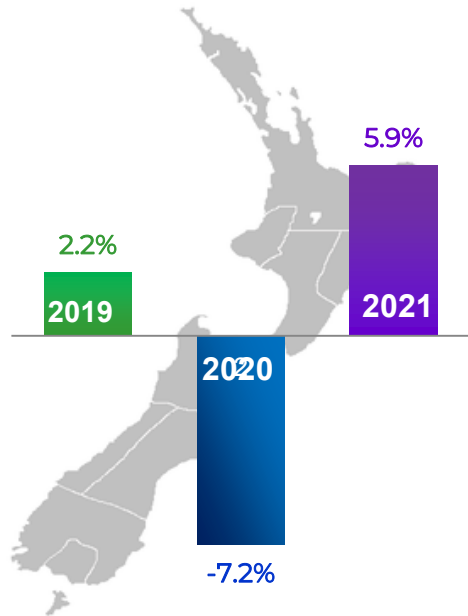
Australian economy is expected to **recover** in 2021:

'V'-shaped
rebound in 2021*:
+6.1% growth

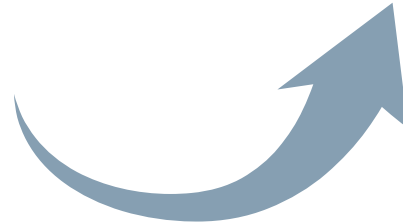


Outlook for 2021... New Zealand

New Zealand economy is expected to **recover** in 2021:



Rebound in 2021:
+5.9% growth



We are well-placed to weather the crisis...



-
- Advanced Economy
 - Strong Governance
 - Well-Equipped Healthcare System
 - Relatively Low Public Debt
 - Reserve Currency



2. NEXT STEPS FOR YOUR BUSINESS: Be Proactive

Planning your next move...
Re-shape your International Business
Strategy for 2020 and beyond....

Thinking about your next steps... —

Where should I
invest my time
and resources
once the lock-
down is lifted?



...think long-term.



Challenge, change, and disruption...

Strong Market Knowledge



Responsible Planning



to navigating the situation
moving forward



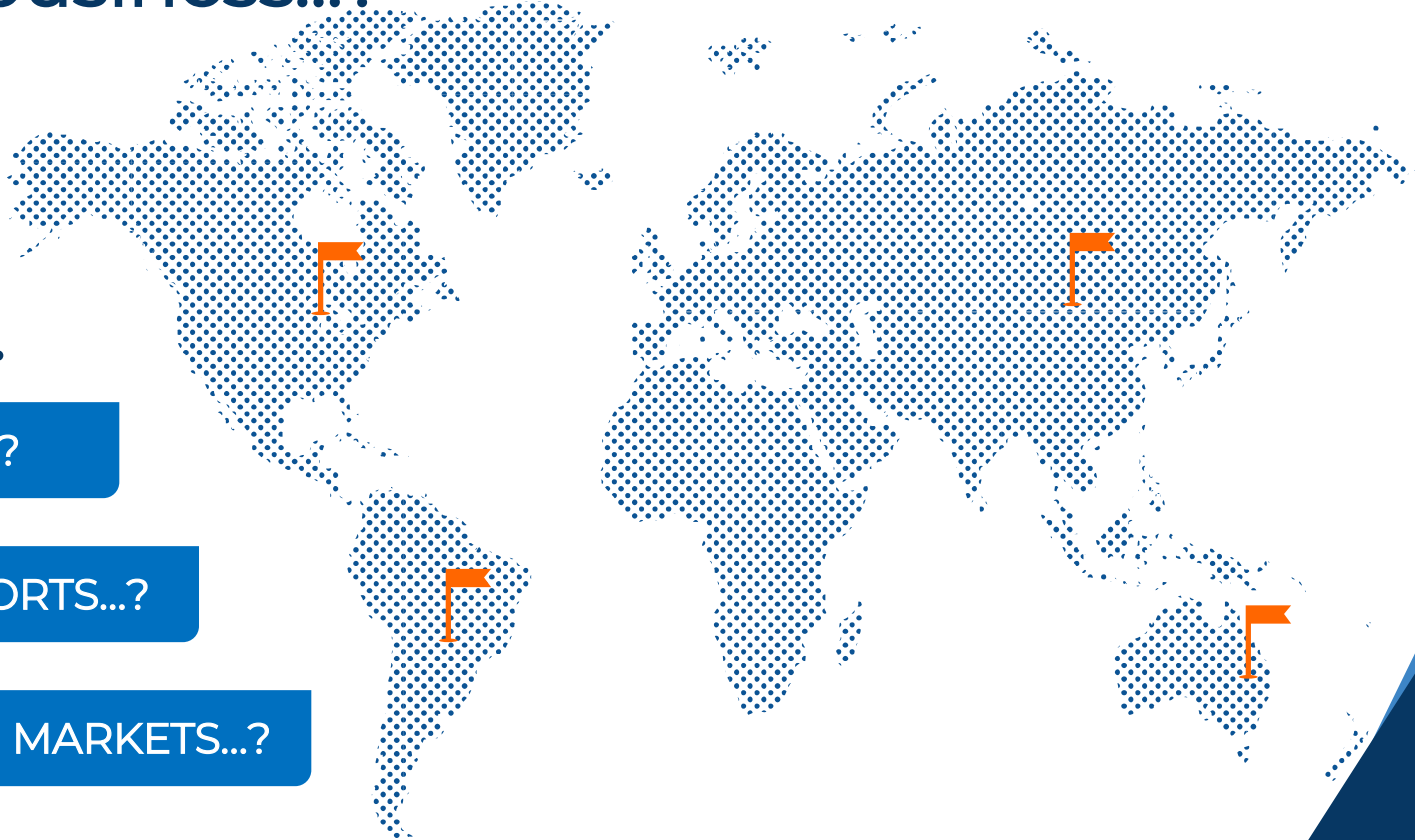
Where in the world are you doing business...?

Think...

• SALES...?

• EXPORTS...?

• MARKETS...?





SHORT TERM 'WINS'

What can you do RIGHT NOW?

- Check in with your existing clients / partners (offer support)..
- Try to seize any immediate opportunities..



LONGER TERM VISION & STRATEGY

BIG PICTURE : 2021 & beyond

- Changing business focus..
- Rethink your export strategy..
- Diversify your customer base i.e. identify new target markets..

Questions you should be asking?

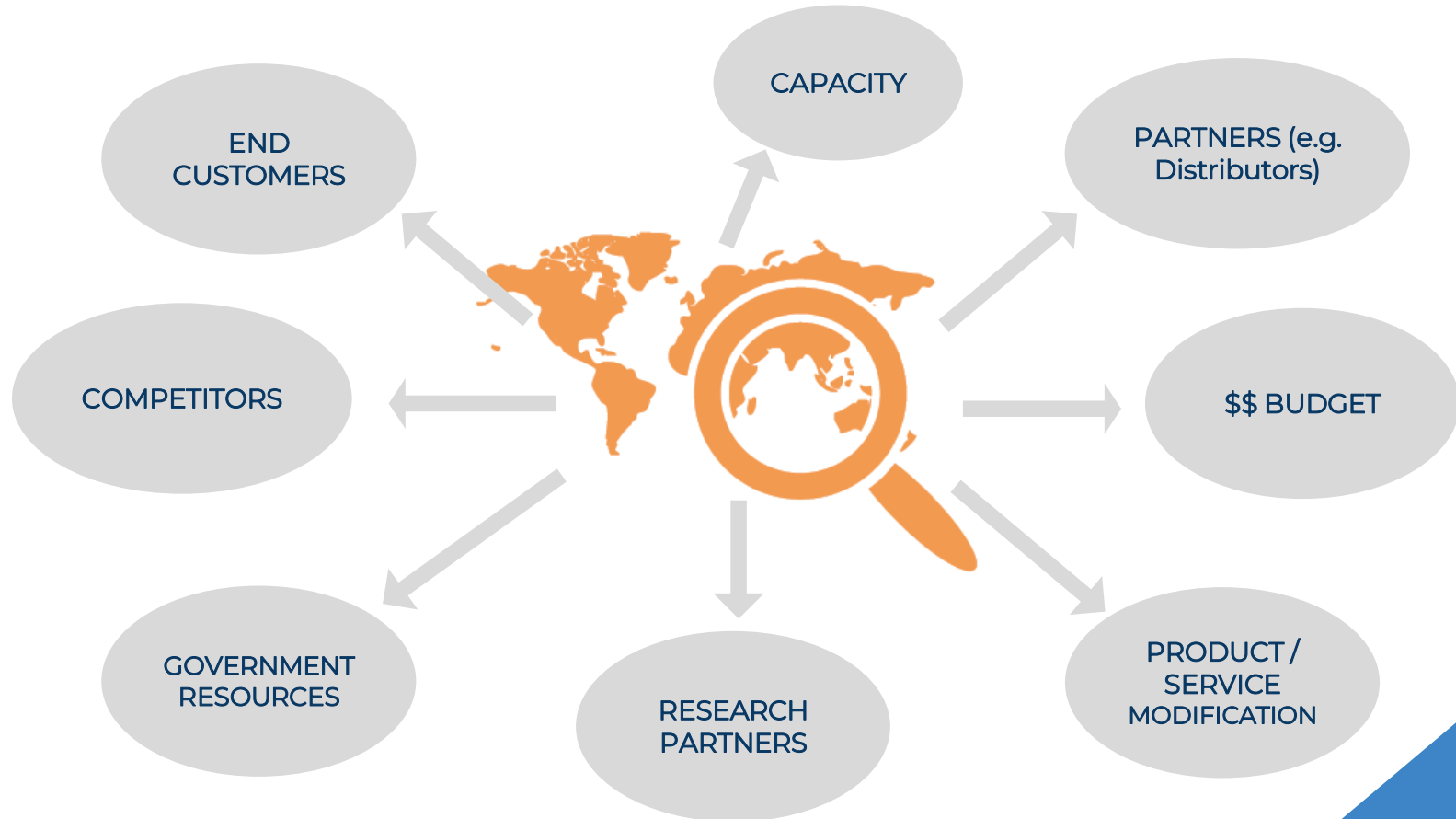


HOW IS MY INDUSTRY CURRENTLY IMPACTED...? WHAT IS THE FUTURE OUTLOOK?

HOW ARE MY EXISTING CLIENTS AND PARTNERS DOING - HOW CAN I ASSIST?

WHAT RELEVANT INTELLIGENCE AND ADVICE CAN I GET FROM THE GOVERNMENT, INDUSTRY...?

New Markets | Key Points to Consider



Australia heavily depends on imports

Currently, Australia is particularly exposed to:

- Global supply chain disruptions...
- Shortages of critical items....

e.g. Lockdowns and quarantines in China have disrupted Australia's inbound supply chains...



How much is coming from China?

50% or more



Australian Imports (Category), 2018	Total Imports (US\$ Billion)	Imports from China (US\$ Billion)	% of total imports
Machinery	32.5	10.6	33%
Mineral Fuels	31.3	1.8	6%
Vehicles	31.1	1.3	4%
Electrical Machinery & Equipment	26.1	13.0	50%
Plastics and Plastic Articles	5.8	2.3	40%
Iron or Steel Articles	5.1	2.6	51%
Furniture, Bedding & Lighting	5.1	3.5	69%



Source: [Trading Economics: Australia Imports from China](#) (2018); and, [Australia Imports by Category](#) (2018)

Example: Medical Equipment & Medicine

➤ AUSTRALIA
RELIES ON
IMPORTS OF
THESE
CRITICAL
ITEMS:



Australia imports:

80%



of the medical
equipment used
in country

+90%



of medicines &
pharmaceutical
products

Example: Construction & Building

➤ CHINA =
No.1 source of
many building
materials used
in Australian
projects...



Australia sources from China:



+69% of furniture

+56% of glass

+40% of nuts, screws & bolts



Urgent need for supply chain diversification



opportunities for
Delaware exporters

Australian companies now motivated to:

- Onshore critical functions;
- Invest more in and use automation technology;
- Seek greater geographical diversification in their supply chains.



A loud call for digital transformation

➤ This crisis is forcing a strong shift ➤➤
Accelerated digitalization across many industries





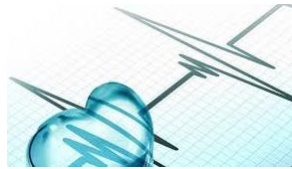
The views have become clear:
focus on the new reality...

Where are the \$\$\$\$



AGRIBUSINESS / FOOD

Food production -
demand is high for
**chemicals, fertiliser
and fuel...**



MEDICAL / HEALTH

Strong shift towards
telehealth and
remote monitoring
technologies...



CONSTRUCTION & INFRASTRUCTURE

Fast-tracking major
infrastructure
projects across the
country...



ADVANCED MANUFACTURING

Movement towards
on-shoring
Australia's
manufacturing
industry...

Agriculture & Food Production

➤ Food security - top priority for Australian government.

Australian farmers are adding 1 million hectares to grain production in 2020.

Stocks of essential farm inputs are running low
- examples of supplies required:

➤ FERTILISER

➤ CHEMICALS



Agriculture & Food Production

➤ Embracing Robotics & Automation to improve efficiency:



E.g. Current shortage of
farm labour –
need for investment in:

➤ AUTOMATION
TECHNOLOGIES
&
➤ ROBOTICS

Leaning on Digital Health Technologies

➤ IN FOCUS: Roll-out of telehealth services

A\$1.1 billion (~US\$0.7b)
funding boost for telehealth
& mental health in Australia

Increased interest also in:

- Remote & mobile patient monitoring
- Online training /courses to up-skill nurses



Keeping the Construction Industry Going

Building & Construction –
the frontline of Australia's
economic recovery...



Keeping the Construction Industry Going

- New South Wales (NSW) government is committed to continue delivery of projects in infrastructure and construction sector.



A record A\$87.2 billion (~US\$55.5b) for critical state infrastructure to 2023, including:

- › A\$51.2 billion on roads & transport
- › A\$8 billion for health infrastructure and service related projects

Rebuilding the Manufacturing Sector

➤ 'Wake up' call for Australia:

Move to onshore production is of critical importance...



National **A\$31.3 million** (~US\$ 20m) deal for:

Production of
2,000 invasive ventilators
in Australia

GREY INNOVATION
TECHNOLOGY COMMERCIALISATION

Victorian company **Grey Innovation** is leading an industry consortium to produce the ventilators.

Rebuilding Manufacturing...



➤ 'Wake up' call for Australia:

Smart (advanced) manufacturing will be the key ...

- Develop our 'niche' markets
- The longer game – focus on sectors such as:

Food
Defense
Mining

Medical
Engineering



This is the time for Delaware companies to collaborate and seek opportunities in Australia!

4. WRAP UP & RECOMMENDATIONS for Delaware Companies

What to do NOW to prepare
for 2020 & beyond...

Developing a Plan of Action...

Focus on
short term
wins, but
also...

Develop a
long term
strategy

Know what
questions to
ask

Access the
resources
available to
you


Strong market knowledge + responsible planning is the key to navigating this situation.


Thank you!

Q & A



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